

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WEBSTER)	
COUNTY WATER DISTRICT FOR AN)	CASE NO.
ALTERNATIVE RATE FILING PURSUANT TO 807)	2024-00199
KAR 5:076)	

ORDER

This matter arises upon Webster County Water District's (Webster District) acceptance of Commission Staff's (Staff) recommendation regarding the amount of a rate increase that amended Webster District's application to request higher rates than initially requested.¹ Webster District proposed an increase in its revenue requirement of \$431,001, or 24.57 percent, over test-year normalized revenues.² When Staff performed the limited financial review of test-year operations, Staff determined Webster District would require an increase of \$623,603 or 35.62 percent to its revenues. On August 7, 2025, Webster District filed its comments in response to the July 24, 2025 Commission Staff's Report (Staff's Report) that accepted the amount of the revenue increase recommended in Staff's Report. Webster District also requested adjustments to its nonrecurring charges in its response to Staff's Report that reduced the Returned Check

¹ Webster District's Read First Response to Commission Staff's Report (dated Aug. 1, 2025) (filed Aug. 7, 2025) (Response to Staff's Report).

² Application, Revenue Requirements Chart.

Fee from \$1 to \$0³ and reduced the 5/8 x 3/4 meter Tap On Fee from \$1,114 to \$1,110.⁴ Webster District stated the Returned Check Fee may be more expensive to administer than would be collected in revenues.⁵ The notice included in this Order below reflects the amendments to Staff's Report, but the impact of the requested adjustments may be discussed in the final Order in this case.

LEGAL STANDARD

Commission regulation 807 KAR 5:076, Section 11(3)(f), states:

If commission staff reports that the applicant's financial condition supports a higher rate than the applicant proposed or commission staff recommends the assessment of an additional rate or charge not proposed in the application and commission staff's proposed rates produce a total increase in revenues that exceeds 110 percent of the total increase in revenues that the applicant's proposed rates will produce and the applicant amends its application to request commission staff's proposed rates, the commission shall order the applicant to provide notice of the finding or recommendation to its customers.

Commission regulation 807 KAR 5:076, Section 7(1), provides that an application for an alternative rate adjustment (ARF) may not place the proposed rates into effect until the Commission approves those rates or six months from the date of filing an application.

Commission regulation 807 KAR 5:001, Section 4(5), provides that amendment of an application shall not relate back to the date of the filing of the original application unless the Commission orders otherwise.

³ Webster District's Response to Staff's Report, Item 2.

⁴ Webster District's Response to Staff's Report, Item 3.

⁵ Webster District's Response to Staff's Report, Item 2.

DISCUSSION AND FINDINGS

As an initial matter, when Webster District accepted Staff's proposed increase of \$623,603, Webster District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$192,602 or 144.69 percent of the original proposed rates.⁶ Consistent with 807 KAR 5:076, Section 11(3)(f), because Webster District amended its application on August 7, 2025, when it accepted the revenue increase proposed by Staff that exceeded the 110 percent threshold and because the amended application does not relate back to the original application, Webster District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or February 7, 2026, which is six months from the date the application was amended, whichever comes first.

Because Webster District accepted rates that exceed the regulatory threshold for re-notice, the Commission finds that Webster District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of service of this Order, Webster District shall notify its customers of the implementation of the rates calculated in the Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice shall contain the information set forth in the Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. Webster District's amended application is accepted as filed as of August 7, 2025.

⁶ \$623,603 / \$431,001 = 144.69 %.

2. Webster District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or six months from the date the application was amended, here February 7, 2026, whichever comes first.

3. Within 14 days of the date of service of this Order, Webster District shall notify its customers of the implementation of the rates calculated in Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers.

4. The customer notice shall contain the information set forth in the Appendix to this Order.

5. Webster District shall provide proof of publication of the notice to the Commission no later than 30 days from the date of this Order.

6. If the Commission does not receive any written requests for intervention or a hearing in this matter within 30 days of publication of new rates, this case shall stand submitted to the Commission for a decision based upon the existing record.

PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

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ATTEST:


Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2024-00199 DATED SEP 19 2025

On January 24, 2025, the Kentucky Public Service Commission (PSC) accepted for filing Webster County Water District's (Webster District) application requesting to increase its revenue from water sales by \$431,001, an approximate increase of 24.57 percent. On July 24, 2025, Commission Staff determined Webster District would require an increase of \$623,603 or 35.62 percent in revenue from water sales. Webster District requests the PSC approve its recommended revenue requirements and that Webster District be allowed to implement the revised rates as follows:

Meter Size		Monthly Water Rates			% Increase
		Current	Proposed		
<u>5/8- x 3/4-Inch Meter</u>					
First	2,000 Gallons	\$17.50	\$24.30	Minimum Bill	38.86%
Next	4,000 Gallons	0.00795	0.01100	Per Gallon	38.36%
Next	94,000 Gallons	0.00695	0.00969	Per Gallon	39.42%
Over	100,000 Gallons	0.00419	0.00584	Per Gallon	39.38%
<u>1-Inch Meter</u>					
First	10,000 Gallons	\$77.10	\$107.46	Minimum Bill	39.38%
Next	90,000 Gallons	0.00695	0.00969	Per Gallon	39.42%
Over	100,000 Gallons	0.00419	0.00584	Per Gallon	39.38%
<u>1 1/2-Inch Meter</u>					
First	15,000 Gallons	\$111.85	\$155.89	Minimum Bill	39.37%
Next	85,000 Gallons	0.00695	0.00969	Per Gallon	39.42%
Over	100,000 Gallons	0.00419	0.00584	Per Gallon	39.38%
<u>2-Inch Meter</u>					
First	20,000 Gallons	\$146.60	\$204.32	Minimum Bill	39.37%
Next	80,000 Gallons	0.00695	0.00969	Per Gallon	39.42%
Over	100,000 Gallons	0.00419	0.00584	Per Gallon	39.38%
<u>3-Inch Meter</u>					
First	30,000 Gallons	\$216.10	\$297.00	Minimum Bill	37.44%
Next	70,000 Gallons	0.00695	0.00969	Per Gallon	39.42%
Over	100,000 Gallons	0.00419	0.00584	Per Gallon	39.38%
<u>4-Inch Meter</u>					
First	50,000 Gallons	\$355.10	\$494.91	Minimum Bill	39.37%
Next	50,000 Gallons	0.00695	0.00969	Per Gallon	39.42%
Over	100,000 Gallons	0.00419	0.00584	Per Gallon	39.38%
Wholesale		\$0.00370	\$0.00474	Per Gallon	28.11%

Nonrecurring Charges

Charge	Amount
Connection Turn-On	\$20.00
Connection Turn-On (After Hours)	\$76.00
Field Collection Charge	\$20.00
Late Payment Penalty	10%
Meter Relocation Charge	Actual
Meter Re-Read Charge	\$20.00
Meter Re-Read Charge (After Hours)	\$76.00
Meter Test Charge	\$80.00
Reconnection Charge	\$40.00
Reconnection Charge (After Hours)	\$76.00
Returned Check Fee	\$0.00
Service Call/Investigation	\$20.00
Service Call/Investigation (After Hours)	\$76.00

Tap On Fee Charges

Meter Size	Amount
5/8 x 3/4 Inch Water Tap On	\$1,100
All Other Sizes	Actual Cost

The proposed rates shall not become effective until the Public Service Commission has issued an Order approving these rates. The rates will increase the monthly bill of a typical residential customer using 4,000 gallons a month from \$33.40 to \$46.30, an increase of \$12.90, or approximately 38.62 percent. This filing may be examined at the offices of Webster District located at 478 US HWY 41-A South P. O. Box 320 Dixon, KY 42409-0320, telephone (270) 639-9010.

Any person may examine this filing at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday–Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <https://psc.ky.gov/>; telephone (502) 564-3940. A copy of the PSC Commission Staff's Report can be found at the following address:

https://psc.ky.gov/pscscf/2024%20Cases/2024-00199//20250724_STAFF_REPORT.pdf

Any person may submit comments on the proposed request no later than 30 days after the date of publication of customer notice. Comments shall be in writing and shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602. Comments may also be submitted by electronic mail to psc.comment@ky.gov. If the Commission does not receive any request

for intervention or hearing in this matter within 30 days after the date of publication of this customer notice, the Commission will proceed to render a decision in the matter

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